

10th Annual General Meeting

on Saturday, the 17th July, 2010

at 11.30 a.m.

Registered office:

“Gandhi House”, 16, Ganesh Chandra
Avenue, 7th Floor, Room No.2,
Kolkata-700013

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CORPORATE INFORMATION

BOARD OF DIRECTORS :

Mr. P. Ravinder Rao	:	Managing Director
Mr. Y. Srinivas	:	Director
Mr. P. Vikram Chakravarthy	:	Director
Mr. G.V. Kamath	:	Director

AUDITORS	:	M.M. Reddy & Co., Chartered Accountants, Hyderabad.
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BANKERS	:	State Bank of Hyderabad, R.P.Road, Secunderabad HDFC, Pet Basheerabad ICICI Bank, Kharkhana, Vijaya Bank, Bank Street
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REGISTERED OFFICE	:	"Gandhi House", 16, Ganesh Chandra Avenue, 7th Floor, Room No.2, Kolkata-700013 Tel: 033-22363093, Fax:033-22365588
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CORPORATE OFFICE	:	Plot No.2, Satyam Status Enclave, Opp.Military Dairy Farm, Swarnadhama Nagar, Old Bowenpally, Secunderabad-500011
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REGISTRAR AND SHARE TRANSFER AGENT	:	M/s. Niche Technologies Pvt. Ltd. D-511, 5th Floor, Bagree Market 71, Biplabi Rash Behari Basu Road Kolkata-700001
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LISTED AT	:	Calcutta Stock Exchange Limited
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Notice

Notice is hereby given that the 10th Annual General Meeting of the members of Arunjyoti Enterprises Limited will be held on Saturday, the 17th July, 2010 at 11.30 a.m. at the registered office of the company "Gandhi House", 16, Ganesh Chandra Avenue, 7th Floor, Room No.2, Kolkata-700013 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as at 31st March 2010 and profit & loss account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year 2009-10.
3. To appoint a director in place of Mr. P. Vikram Chakravarthy who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. M.M.Reddy & Co, Chartered Accountants, Hyderabad as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and authorise the Board to fix his remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Y.Srinivas, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f 27.03.2010 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation"

For and on behalf of the Board of
Arunjyoti Enterprises Limited

Sd/-

P.Ravinder Rao
Managing Director

Place:Secunderabad
Date: 14.06.2010

EXPLANATORY STATEMENT

(Pursuant To Section 173(2) of the Companies Act, 1956)

Item No.5:

The members may note that Mr. Y.Srinivas, was inducted into Board as Additional Director of the company, under Independent Director Category with effect from 27.03.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. Y.Srinivas may be deemed to be concerned or interested in the resolution.

For and behalf of the Board of
Arunjyoti Enterprises Limited

Sd/-

P. Ravinder Rao
Managing Director

Place: Secunderabad
Date: 14.06.2010

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on a poll instead of himself / herself and the Proxy need not be a member of the Company.
2. Proxies, in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 11.07.2010 to 17.07.2010 (Both days inclusive).
4. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
5. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
6. Members are requested to kindly bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the AGM.

For and on behalf of the Board of
Arunjyoti Enterprises Limited

Sd/-

P.Ravinder Rao
Managing Director

Place:Secunderabad
Date: 14.06.2010

DIRECTORS' REPORT

Dear Shareholders,

Yours Directors have pleasure in presenting the Tenth Annual Report of the Company for the financial year ended 31st March, 2010.

Financial Results

The performance of the Company for the financial year ended 31st March, 2010 is summarized below:

(Rs. in Lacs)

Particulars	2009-10	2008-09
Gross Revenue	7821.08	4185.87
Total Expenditure	7637.18	4085.19
Profit before financial charges, depreciation and taxation	186.07	100.94
Less: Financial Charges	0.00	0.00
Depreciation	2.16	0.26
Profit/(Loss) before tax(PBT)	183.91	100.68
Less: Provision for Current tax	60.23	30.77
Fringe Benefit Tax	0.00	0.86
Deferred Tax Liability	2.28	0.24
Profit/(Loss) after tax	121.40	68.82
Provision for dividend	50.59	50.59
Provision for dividend tax	8.60	8.60
Transfer to general reserves	6.07	3.44
Balance carried to Balance Sheet	65.77	6.20
Earning per share	2.40	1.36

OPERATIONS:

The Company has recorded a turnover of Rs.7821.08 lacs in the current year and made a net profit of Rs. 121.40 lacs.

The Company has been continuously working to improve the performance to a greater extent by following both organic and inorganic modes. In this regard the company is seriously contemplating and on look out for acquisition of companies which are engaged in agri-related areas.

DIVIDEND:

The directors are pleased to recommend, for approval of the Members a dividend of Rs 1/- per share on 50,58,110 equity shares of Rs 10/- each of the Company for the financial year 2009-10. The dividend on the Equity shares, if declared would involve an outflow of Rs. 50,58,110 towards dividend and Rs. 8,59,626 towards dividend tax, resulting in a total outflow of Rs. 59,17,736

TRANSFER TO RESERVES:

The Company proposes to transfer Rs.6,06,981 to the Profit and Loss Account.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

LISTING:

The equity shares of your company are listed on The Calcutta Stock Exchange Limited.

DIRECTORS:

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Director, Mr. P.Vikram Chakravarthy retires by rotation and is eligible for reappointment.

Your Board recommends the re-appointment of the Director above.

During the year Mr. Y.Srinivas was appointed as an additional director of the Company and Mr. S.K.Bhawsingka and Mr.P.Ramachandra Murthy resigned from the Board. The Board placed on record its sincere appreciation for the valuable services rendered by the directors, Mr. S.K.Bhawsingka and Mr.P.Ramachandra Murthy during their tenure as directors on the Board of the company.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 the Board of Directors of your Company hereby certifies and confirms that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;

- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

A. Conservation of Energy

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule

B. Technology Absorption

1. Research and Development (R&D)	:	Nil
2. Technology absorption, adoption and innovation	:	Nil

C. Foreign Exchange Earnings and Out Go

Foreign Exchange Earnings	:	Rs. 5.07 lakhs
Foreign Exchange Outgo	:	Rs. 23.79 lakhs

PARTICULARS OF EMPLOYEES

As the Company is not having any employee during the year under review, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

CODE OF CONDUCT

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

AUDITORS

M/s M.M.Reddy & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible have expressed his willingness for re-appointment. Your directors propose the appointment of M/s M.M.Reddy & Co., Chartered Accountants, as statutory auditor to hold office until the conclusion of the next Annual General Meeting of the company.

CORPORATE GOVERNANCE

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, Forms part of this Report as Annexure.

ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

Declaration by Managing Director of affirmation by Directors and senior Management personnel of compliance with the code of conduct

The shareholders

I, P.Ravinder Rao, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board of
Arunjyoti Enterprises Limited

Sd/-

P.Ravinder Rao
Managing Director

Place:Secunderabad
Date: 14.06.2010

MANAGEMENT DISCUSSION AND ANALYSIS**Overview:**

The company's Agri input distribution, Corporate Farming and Retail operations generate revenues and cash primarily by the sale of fruits, vegetables, grocery and FMCG through retail outlets and Seeds, fertilizers through distribution and farming division. The company has geographic area of Andhra Pradesh and adjacent states. Majorly reportable operating segments of AEL are Retail outlets, Agri input distribution and Corporate Farming.

Trends and Economic Conditions

Agriculture is the mainstay for the Indian Economy. Agri and allied sectors contributes 17.1% of Gross Domestic Product of India for 2008-09. An all time record in production of food grains is noted i.e., 233.88 million tonnes, which is 6% more than last year 2007-08. Rice production was estimated at 99.15 million tonnes, which is 2.46 million tonnes more than earlier. Wheat is estimated at 80.58 million tonnes, which is 2.01 million tonnes more than earlier. Production of coarse cereals is estimated at 39.48 million tonnes which is 1.27 million tonnes more and production of pulses is estimated at 14.66 million tonnes which is about 0.99 lakh tonnes more than the production during 2007-08. The sugarcane production is estimated at 2712.54 lakh tonnes which is about 769.34 lakh tonnes less than the production during 2007-08. Cotton production is estimated at 231.56 lakh bales (of 170 kg. each) which is 27.28 lakh bales more than the production during 2007-08. Jute and mesta production during 2008-09 is estimated at 104.07 lakh bales (of 180 kg each) which is about 8.04 lakh bales less than the production during 2007-08.

Indian Pesticide industry is ranked second in Asia (behind China) and twelfth globally. Top 5 companies control 78% of the market due to industry consolidation, whereas in India the market is fragmented with about 30 to 40 manufacturers and 400 formulators. Due to inherent strength of low-cost of manufacturing and qualified manpower is a net exporter of pesticides to other countries. Out of total industry turnover 39% forms export sales. Industry has shown a Compounded Annual Growth rate of 18%.

In India, Andhra Pradesh is the second largest producer of fruits. Mango, Banana, Cashew nut, Sapota, Guava, Melons and Pomegranate are some of the widely grown fruits. Egg plant (brinjal), lady's finger (Okra), Onion, Tomato, Beans and Gourds are the widely grown vegetables. Chillies, Cotton, Sugar cane, Maize are some of the important cash crops.

Annual per capita consumption of fruits and vegetables increased from 27 to 61 KGs in rural India and from 46 KGS to 84 KGs in urban India. As Indians have become more health conscious, now they are consuming more fruits and vegetables than they were consuming earlier. Middlemen handle most of the marketing of fruits and vegetables. Estimated losses due to large marketing channels and due to many middlemen are estimated to be around 30 – 35% of the produce.

Retailing

In the last few years, Indians have gone through a dramatic transformation in lifestyle by moving from traditional spending on food, groceries and clothing to lifestyle categories that deliver better quality and taste. Modern retailing satisfies rising demand for such goods and services with many players entering the bandwagon in an attempt to tap greater opportunities.

Retail Growth Drivers

The Indian Retail growth can be attributed to the several factors including

- **Demography Dynamics:** Approximately 60 per cent of Indian population below 30 years of age.
- **Double Incomes:** Increasing instances of Double Incomes in most families coupled with the rise in spending power.
- **Plastic Revolution:** Increasing use of credit cards for categories relating to Apparel, Consumer Durable Goods, Food and Grocery etc.
- **Urbanization:** increased urbanization has led to higher customer density areas thus enabling retailers to use lesser number of stores to target the same number of customers. Aggregation of demand that occurs due to urbanization helps a retailer in reaping the economies of scale.
- **Covering distances** has become easier: with increased automobile penetration and an overall improvement in the transportation infrastructure, covering distances has become easier than before. Now a customer can travel miles to reach a particular shop, if he or she sees value in shopping from a particular location.

2010 COMPARED WITH 2009**CONSOLIDATED RESULTS:**

Net income in the year 2010 is INR 1.21 crores compared with INR 68.8 lakhs. Net sales increased to INR 7.9 crores which is 51% more than 2009. Since the organisation has started another division for establishments of retail outlets and this being the first year, operating expenditure has increased by 54% which is INR 80.4 crores compared with INR 43.6 crores. We expect cash inflow from Corporate Farming division from the year 2010-11.